ELBIT SYSTEMS RECEIVES FINALIZATION OF U.S. FMF APPROVAL OF APPROXIMATELY $300 MILLION FOR ISRAELI DIGITAL ARMY PROGRAM

Haifa, Israel, September 6, 2007 – Elbit Systems Ltd. (NASDAQ: ESLT) reported that on September 5, 2007 it received finalization of funding approval of U.S. Foreign Military Financing (FMF) in a total amount of approximately $300 million for the FMF portion of the Israeli Digital Army Program (DAP). This is further to its announcement dated December 13, 2004, regarding the award to Elbit Systems of the prime contract frame agreement by the Israel Ministry of Defense (IMOD) for the DAP.

The U.S. FMF portion of the DAP is an integral part of the overall Program as awarded in 2004. The announcement in 2004 reported that the Program would include an additional material amount funded by U.S. FMF, and this FMF portion is reflected in the amount for which funding approval has now been obtained. Approximately $130 million of this amount has already been recorded in Elbit Systems' backlog. The FMF portion of the DAP will be performed by EFW Inc., an Elbit Systems of America company, as well as other U.S. subcontractors. Elbit Systems orders for the currently funded portions of DAP will be performed over several years.

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance ("C4ISR"), unmanned air vehicle (UAV) systems, advanced electro-optics, electro-optic space systems, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and radios. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense, homeland security and commercial aviation applications.

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